

DATE

June 25, 2024

SECTORS

Infrastructure

DEAL TYPE

Debt Advisory & Restructuring

DEAL LOCATIONS



DEAL TEAM



Moritz Müller
Managing Director



Ari Winarto
Managing Director



Theodoros Patramanis
Executive Director



Gunjan Ojha
Vice President

DC Advisory advises Rune Group, a Cube IM portfolio company, in renegotiating its credit facilities of €130m for the funding of its FTTH roll-out expansion



Background

- Rune Group (Rune) is a wholesale-only open-access fiber-to-the-home (FTTH) network operator in rural areas of Slovenia and Croatia, with more than 160k homes passed currently
- Rune is a portfolio company of the Connecting Europe Broadband Fund (CEBF), an infrastructure fund investing in greenfield projects in the broadband infrastructure space across underserved areas in Europe. It is managed by Cube Infrastructure Managers (Cube IM), a mid-market infrastructure private equity investor combining deep sector knowledge with operational and financial expertise
- Rune has prepared an optimized business plan to reflect the updated trajectory of the business, including amendments to the financing documents to better suit Rune's revised roll-out profile

Process

- DC Advisory was appointed as exclusive financial advisor by CEBF, amending the existing financing of Rune
- Leveraging its extensive knowledge and experience in the fiber sector, DC Advisory supported CEBF and Rune throughout the process and successfully

UN SDG ACTIVITY



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



advised on and managed a number of detailed work streams, including:

- Business plan development and financial modelling analysis
- Coordination of due diligence advisors
- Orchestration of the re-negotiation process with lending banks by structuring commercial terms and resetting covenants to meet the requirements of the enhanced business plan
- Negotiations of the amended facility agreement in conjunction with legal advisors
- Timely execution of the process was key to minimize disruptions in day-to-day operations and as such negotiations were concluded swiftly with unanimous lender support

Outcome

- In May 2024, Rune concluded the successful amendment of its €130m credit facilities, maintaining an accordion option to support its expansion under a new business plan
- The funding will aim to support Rune's FTTH network expansion, further strengthening its position as a leading broadband provider in the rural areas of Croatia and Slovenia
- This transaction further reinforces DC Advisory's expertise in the fiber sector and strengthens the firm's outstanding capital advisory track record on complex infrastructure financings across Europe

“The amended credit facility of Rune represents a milestone in the trajectory of the company and further strengthens Rune's efforts as one of the leading FTTH providers in Croatia and Slovenia. I would like to thank DC Advisory for their critical role, determination and strong commitment throughout this successful process.”

Leo Leseney
Managing Director, Cube Infrastructure Managers

“Special thanks to DC Advisory for optimising the debt funding essential to fuel the execution of our business plan.”

Stojan Nikolic
CEO, Rune Group SA

“We are delighted to have advised CEBF on the re-negotiation of Rune’s credit facilities, by securing favorable terms to support future growth in a challenging environment.”

Ari Winarto and Moritz Müller
Managing Directors, DC Advisory Frankfurt